



Department of Justice

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FORMER LEWIS CENTER MAN PLEADS GUILTY TO CRIMES CONNECTED WITH MORTGAGE FRAUD SCHEME

16 of 55 properties involved subject of foreclosure actions

COLUMBUS – Jason McCord, age 31, formerly of Lewis Center, pleaded guilty in United States District Court here today to two counts of bank fraud and one count of money laundering in connection with a mortgage fraud scam that netted him more than \$600,000 in six months.

Gregory G. Lockhart, United States Attorney for the Southern District of Ohio and Jose A. Gonzalez, Special Agent in Charge, Internal Revenue Service (IRS) Criminal Investigation announced McCord's guilty pleas entered before United States District Judge Gregory L. Frost.

A federal grand jury indicted McCord on March 27, 2007 alleging that McCord devised a scheme in which he defrauded Interfirst Bank, then a subsidiary of Standard Financial Bank, on a total of 55 mortgage refinancing applications between January 2002 and June 2002.

IRS agents arrested McCord on April 4, 2007, McCord in Newington, Connecticut. He was ordered detained by a Magistrate Judge on April 13, 2007. He has been in custody since his arrest and was placed on electronic monitoring until sentencing.

McCord operated two businesses in Central Ohio, one known as J.R. Lending and the other Q3 Mortgage. Both of these businesses acted as the agent for homeowners seeking to refinance their existing home mortgages and they both misused the automated refinance approval system that was available through Interfirst Bank.

McCord, through J.R. Lending and Q3 Mortgage, prepared and submitted false and fraudulent applications for more than \$7 million in loans on behalf of his clients, thereby earning transaction fees that would not have been otherwise generated. McCord received a total of \$301,005 in transaction fees on 19 properties through J.R. Lending, and a total of \$357,338 in transaction fees on 36 properties through Q3 Mortgage. The properties were located throughout Central Ohio.

"To date, 16 of the 55 properties have been subject to foreclosure actions resulting in bank losses of more than \$1.6 million," Lockhart said. "Criminal actions such as this contribute to the foreclosure issue facing this country today."

"Money laundering is not a victimless crime," Gonzalez said. "Not only are innocent people 'duped' by various schemes, but the underground, untaxed economy harms the entire nation's economic strength."

Bank fraud is punishable by up to 30 years imprisonment and a \$1 million fine. Money laundering is punishable by up to ten years imprisonment and \$250,000 fine. McCord could also be sentenced to make full restitution to the financial institutions that were victims.

Judge Frost will schedule a sentencing date for McCord following completion of a pre-sentence investigation.

Lockhart commended the IRS CI agents who investigated this case and Assistant U.S. Attorney Dan Brown, who prosecuted the case.

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